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Lawn&Garden Marketing™

APRIL/MAY 1990

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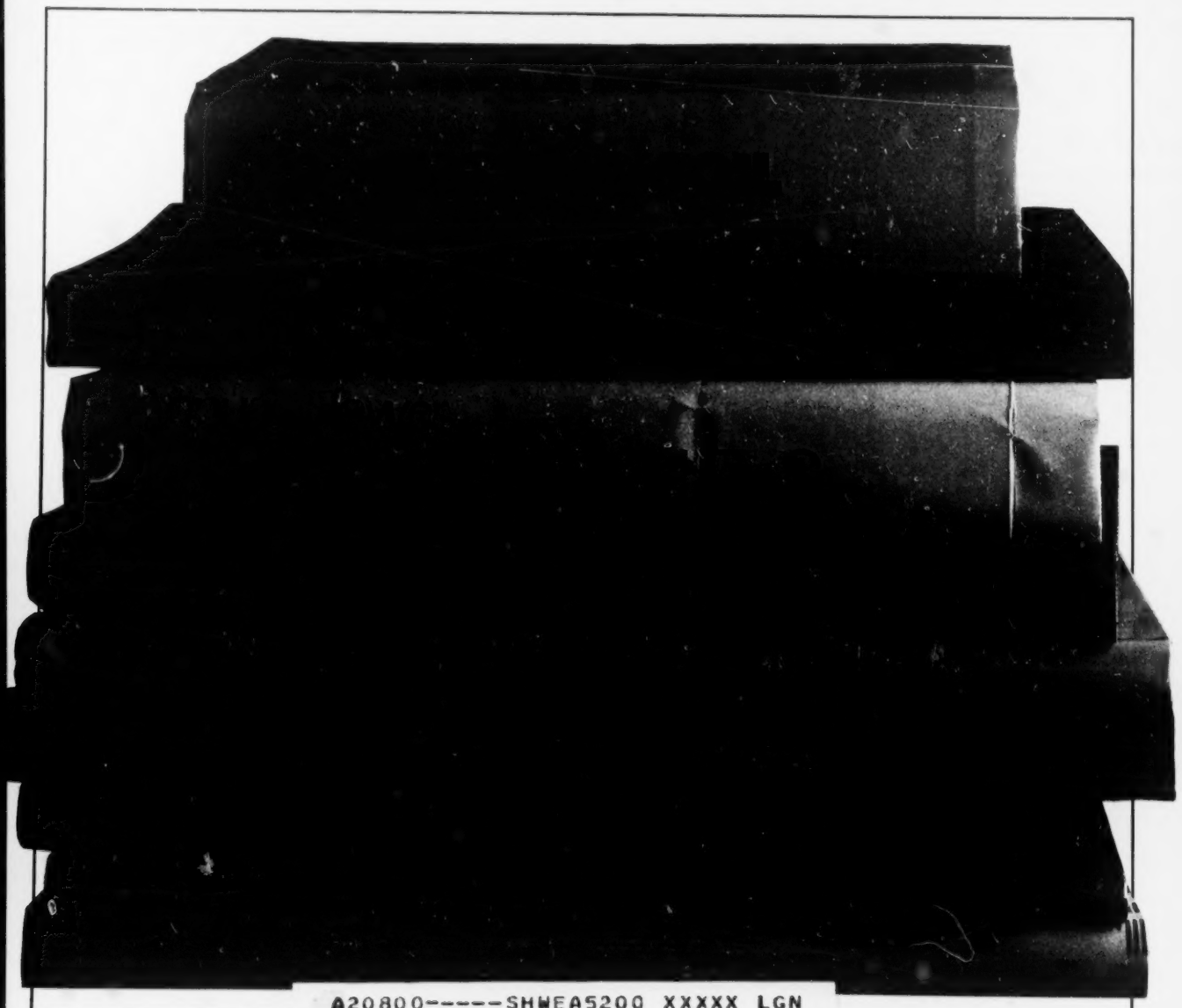
Cover story: 1989 L&G best sellers

New snowthrower niche • Distributor events



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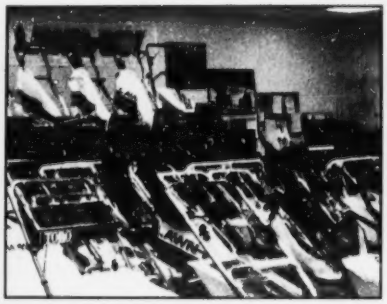

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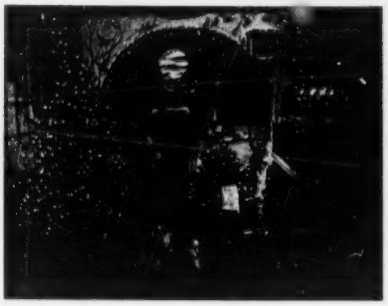

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Did you know?

Each American generates about 3½ pounds of residential and commercial solid waste daily. About 10 percent of the 150 million tons generated nationally per year consists of grass clippings, leaves and branches.

Source: Aircap Industries, Tupelo, Miss.

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L&G sales update

While product movement held steady in 1989, total sales to consumers nationwide increased by 5 percent.

By Bruce Butterfield, *National Gardening Assn.*

Seventy million American households spent $16.3 billion on indoor and outdoor lawn and garden activities in 1989 compared with 69 million households that spent $15.5 billion in 1988 and 70 million households that spent $17.5 billion in 1987.

A total of 64 million U.S. households, or 91 percent of lawn and garden participants, purchased one or more types of lawn and garden products in 1989 compared with 62 million households or 89 percent in 1988 and 65 million households or 93 percent in 1987.

These are just some of the results of the *1989-90 National Gardening Survey* conducted for the National Gardening Assn. by the Gallup Organization Inc. Results are based on the findings of more than 2,000 at-home personal interviews with a representative sample of the U.S. household population in all 50 states conducted during November and December 1989. The results of this survey have a margin of error of plus or minus three percentage points.

From 1988 to 1989, the percentage of U.S. lawn and garden households that purchased most categories of lawn and garden products stayed at about the same level. In fact, the percentage of lawn and garden households that purchased 15 out of 16 lawn and garden product categories measured in 1988 and 1989 was statistically equal given a margin of error of plus or minus three percentage points.

L&G product movement

Read as "Percentage/number of U.S. households that purchased (product category)."

Product category	1987 %	1987 Mil.	1988 %	1988 Mil.	1989 %	1989 Mil.
Nursery products	52	36	54	37	55	38
Indoor houseplants & supplies	50	35	53	37	52	36
Insect controls/chemicals	45	32	39	27	37	26
Fertilizer	45	32	44	30	42	29
Seeds/bulbs	45	32	56	39	56	39
Pet/wild bird products	45	32	49	34	49	34
Watering equipment	39	27	50	35	44	31
Outdoor living/barbecue	38	27	47	33	44	31
Garden hand tools	37	26	35	24	32	22
Soil amendments/mulch	32	22	38	26	39	27
Floral products	30	21	36	25	37	26
Power equipment	25	18	25	17	25	18
Food preservation	25	18	24	17	23	16
Plant containers/pots	14	10	19	13	18	13
Gardening information	13	09	16	11	16	11
Lawn/landscape services	09	06	14	10	12	08
None	07	05	11	08	09	06

Totals add up to more than 100 percent due to multiple responses.
Source: National Gardening Assn./Gallup Organization

As the accompanying table illustrates, purchases of nursery products, indoor houseplants and supplies, insect controls/chemicals, fertilizer, seeds/bulbs, pet/wild bird products, outdoor living/barbecue, garden hand tools, soil amendments/mulch, floral products, power equipment, food preservation, plant containers/pots, gardening information and lawn/landscape services all were about equal in 1988 and 1989.

The only lawn and garden product category that saw a significant change in the number of buying households from 1988 to 1989 was watering equipment. In 1988, 50 percent of lawn and garden households, or an estimated 35 million households, purchased watering equipment. In 1989, 44 percent, or an estimated 31 million households, purchased watering equipment. The widespread drought and unusually hot weather during 1988 is the most logical explanation of why sales of watering equipment were higher in 1988 than in 1989.

What they purchased

Nursery products were purchased by 55 percent of lawn and garden households (38 million) in 1989, 54 percent (37 million) in 1988 and 52 percent (36 million) in 1987. Best selling nursery products in 1989 included annual flower transplants (18.2 million buyers), vegetable garden transplants (16.1 million buyers), perennial flower transplants (14 million buyers), rose bushes (9.2 million buyers) and flowering trees/shrubs (5.6 million buyers).

Seeds/bulbs were purchased by 56 percent of lawn and garden households (39 million) in 1989, 45 percent (32 million) in 1988 and 52 percent (36 million) in 1987. The best selling seeds/bulbs in 1989 were grass seed (19.6 million buyers), vegetable garden seed (19.6 million buyers), annual flower seed (12.5 million buyers) and spring flowering bulbs (11.6 million buyers).

Indoor houseplants and supplies

were purchased by 52 percent of lawn and garden households (36 million) in 1989, 53 percent (37 million) in 1988 and 50 percent (35 million) in 1987. Top product purchases in '89 included potting soil/growing medium (23.1 million buyers), houseplant fertilizer (18.2 million buyers), foliage houseplants (14 million buyers), flowering houseplants (11.7 million buyers) and houseplants pots/containers (9.7 million buyers).

Watering equipment was purchased by 44 percent of lawn and garden households (31 million) in 1989, 50 percent (35 million) in 1988 and 39 percent (27 million) in 1987. The best selling products in the watering equipment category in 1989 were hose (18.2 million buyers), hose nozzles (15.4 million buyers), sprinklers (13.3 million buyers) and hose connectors (8.3 million buyers).

Wild bird/pet products were purchased by 49 percent of lawn and garden households (34 million) in 1989, 49 percent (34 million) in 1988 and 45 percent (32 million) in 1987. The best selling products in the wild bird/pet product category in 1989 were pet food (25.2 million buyers), pet care products (17.5 million buyers), wild bird feed (13.3 million buyers) and birdfeeders (6.3 million buyers).

Outdoor living/barbecue products were purchased by 44 percent of lawn and garden households (31 million) in 1989, 47 percent (33 million) in 1988 and 38 percent (27 million) in 1987. Outdoor furniture, barbecue grills, barbecue accessories, outdoor lighting and fencing topped the list in '89 with 9.8 million, 9.1 million, 8.4 million, 7 million and 6.3 million buyers respectively.

Outdoor fertilizer was purchased by 42 percent of lawn and garden households (29 million) in 1989, 44 percent (30 million) in 1988 and 45 percent (32 million) in 1987. Best selling outdoor fertilizers in 1989 included weed and feed fertilizer (15.4 million buyers), dry or granular chemical fertilizer (10.5 million buyers), liquid or water soluble fertilizer (7.7 million buyers), manure (5.6 million buyers), blood meal/bone meal/rock powders (4.2 million buyers) and blended all natural/organic fertilizer (3.5 million buyers).

Insect controls/chemicals were purchased by 37 percent of lawn and garden households (26 million) in 1989, 39 percent (27 million) in 1988 and 45 percent (32 million) in 1987. The best selling insect controls/chemicals in 1989 were RTU insect controls (12.6 million buyers), water soluble chemical insecticide (9.8 million buyers), chemical insecticide dust (7 million buyers) and herbicide/weed controls (6.3 million buyers).

Soil amendments/mulch were purchased by 39 percent of lawn and garden households (27 million) in 1989, 38 percent (26 million) in 1988 and 32 percent (22 million) in 1987. The best selling products in the soil amendments/mulch category in 1989 were peat moss (15.4 million buyers), topsoil (13.3 million buyers) and natural mulch (9.8 million buyers).

Floral products were purchased by 37 percent of lawn and garden households (26 million) in 1989 and 36 percent (25 million) in 1988. Cut flowers, silk flowers and flower arrangements topped the list in '89 with 17.5 million, 11.9 million and 10.5 million buyers respectively.

Garden tools were purchased by 32

continued...

L&G sales update...continued

percent of lawn and garden households (22 million) in 1989, 35 percent (24 million) in 1988 and 37 percent (26 million) in 1987. The best selling garden tools in 1989 were long-handled tools (9.8 million buyers), short-handled tools (9.1 million buyers), sprayers (6.3 million buyers), pruning shears/saws/loppers (5.9 million buyers) and fertilizer spreaders (4.2 million buyers).

Food preservation products were purchased by 23 percent of lawn and garden households (16 million) in 1989, 24 percent (17 million) in 1988 and 25 percent (18 million) in 1987. Canning supplies topped the list in '89 with 11.2 million buyers and freezing supplies with 10.5 million buyers.

Power equipment was purchased by 25 percent of lawn and garden households (18 million) in 1989, 25 percent (17 million) in 1988 and 25 percent (18 million) in 1987. The best selling types of power equipment in 1989 were walk-behind mowers (5.6 million buyers), chainsaws (4.2 million buyers), power string trimmers (4.2 million buyers), riding lawnmowers (2.8 million buyers), power blowers (2.1 million buyers) and power edgers (2.1 million buyers).

Plant containers/season extending products were purchased by 18 percent of lawn and garden households (13 million) in 1989, 19 percent (13 million) in 1988 and 14 percent (10 million) in 1987. The best selling products in the plant container/season extending category in 1989 were outdoor plant containers/pots (9.1 million buyers), window boxes (2.1 million buyers) and plant protectors (1 million buyers).

Gardening information was purchased by 16 percent of lawn and garden households (11 million) in 1989, 16 percent (11 million) in 1988 and 13 percent (9 million) in 1987. Garden magazines topped the list in '89 with 6.3 million buyers and garden books with 5.1 million buyers.

Lawn care/landscape services were hired by 12 percent of lawn and garden households (8 million) in 1989, 14 percent (10 million) in 1988 and 9 percent (6 million) in 1987. A total of 7 million households hired lawn care services and 1.5 million households hired landscape maintenance services in 1989. **—LGM**

L&G best sellers

Read as "Number of U.S. households that purchased (product)."

Product	Millions 1987	1988	1989
Potting soil	22	25	23
Grass seed	16	20	20
Vegetable seed garden	19	21	20
Annual flower transplants	15	17	18
Hose	19	20	18
Indoor plant fertilizer	18	18	18
Cut flowers	*	18	18
Vegetable garden transplants	15	17	16
Peat moss	10	16	15
Weed and feed fertilizer	*	17	15
Hose nozzle	15	19	15
Foliage or leafy houseplants	11	15	14
Perennial flower transplants	12	12	14
Topsoil	12	13	13
Sprinkler	*	18	13
Wild bird feed	*	15	13
RTU insect control	14	14	13
Annual flower seed	10	13	13
Silk flowers	11	11	12
Flowering houseplants	11	12	12
Spring flowering bulbs	13	12	12

Source: National Gardening Assn./Gallup Organization

* Not measured.

The 1989-90 National Gardening Survey, on which this article is based, provides detailed marketing information on the who, what, where, when and why of lawn and garden retail sales. Each year, the National Gardening Assn. publishes the complete results of the survey in a comprehensive 350-page report. For more information, contact the NGA at 180 Flynn Ave., Burlington, VT 05401, (802) 863-1308.

Seminars introduce retailers to new business strategies

This year's Management Clinic took on a new form. With mornings set aside for general topics, afternoons were filled with segment-specific information.

In his seminar presentation, "Understanding and Using Psychological Price Barriers," business consultant Ron Marciel told retailers, "It is my opinion that in the next 10 years, the industry must get more out of each product." Pricing strategies based on psychological barriers are one way to get more from your sales, he contends.

Marciel also says garden centers have focused too much on sales and not enough on gross profit margin. Some suggested ways to increase gross profit margin include:

- reduce waste by using inventory controls and purchasing theories;
- buy more intelligently;
- ask customers to pay more for product they already decided to buy;
- understand and use price barriers to your advantage;
- use variable pricing methods;
- increase customers' enjoyment when they buy from you;
- rely less on price, more on value; and
- make it easy for customer to buy from you.

With the premise that customers who shop garden centers already expect to pay more than if they shopped a mass-merchant, Marciel said "Don't disappoint them." Price accordingly.

Other well-received business sessions at the Management Clinic included some successful promotional ideas and advertising strategies offered by panels of retailers.

Other business conducted by the Garden Centers of America were elections to its board of directors. The new board consists of Leon Smidt of Earl May Seed & Nursery, Shenandoah, Iowa, as president; J.T. McCarty of Colonial Garden Centers Inc., Evansville, Ind., as vice president; and Louis Hillenmeyer III of Hillenmeyer Nurseries, Lexington, Ky., as treasurer.

Canadian peat producers elect president

The Canadian Sphagnum Peat Moss Assn. appointed Gerry Hood, founder of Hood Mfg. Enterprises, Edmonton, Alberta, as its president. Hood's primary goal will be to develop greater sales opportunities throughout North America.

Hood has been instrumental in the organizational and promotional efforts of the association since its creation in November 1988.

The CSPMA consists of 18 member companies, which account for 98 percent of Canada's peat production.

Bulbs to brighten damaged East Coast

De Groot Inc., Coloma, Mich., donated flowerbulbs to the area hit by Hurricane Hugo. The bulb grower sent the bulbs to Charleston, S.C., which in turn passed part of the bulbs on to cities including Mount Pleasant, S.C., Folly Beach, S.C., and Seabrook Island, S.C.

Approximately 80 boxes of bulbs with a retail value of $34,000 were shipped to South Carolina. They included tulips, fall bulbs and hyacinths. DeGroot specializes in production of the "Stella de Oro" daylily.

1989 fall sales survey

A Garden Centers of America survey of 1,000 member retailers showed that overall, sales were flat in 1989. A decline in Region I was attributed to general economic factors, while bad weather and the destruction caused by Hurricane Hugo were cited as the causes of the decline in Region II.

Region	% change '88 vs. '89
Region I.	- 2%
Region II.	- 3
Region III.	+2
Region IV.	+5
Region V.	- 5
Region VI.	+5
National.	0

Source: Garden Centers of America member survey

Briefs

- **Grosfillex Inc.,** has changed its address to Old West Penn Ave., Robesonia, PA 19551. The phone number is now (215) 693-5835.

- The Garden Council has selected P.M. Haeger and Associates as its new management agency. The executive director of The Council will be Andrew Eklund. The firm will handle all campaigns and can be contacted at 500 N. Michigan Ave., Chicago IL 60611, (312) 661-1700, fax (312) 661-0769.

- **SERVISTAR Corp.,** Butler, Pa., has promoted Roy Werner to Buyer of its Home & Garden Showplace℠. Werner will be assisting Tim Yungman in developing greengoods vendors for the program.

- **The Interior Landscapes International Corp.,** Boston, has elected its 1990 officers. John Mini is chairman; Roger Cheever is vice chairman; Michael Baron is president; Ben Veldkamp III is treasurer; and Carole Horowitz is secretary.

- **Gro Group Inc.,** Bedford, Mass., re-elected Victor H. Foster president, and elected Frank G. Kolley vice president, James Beckmann secretary and Richard Lessans treasurer. Also serving on the executive committee are Past President Tom Wetsel, Executive Vice President Charlie McColough and Don Hyatt.

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Cover story: Mapping out industry shows

Serving older customers • Legislative report

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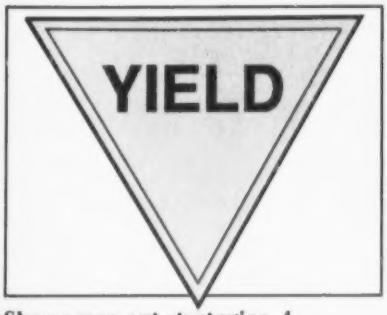

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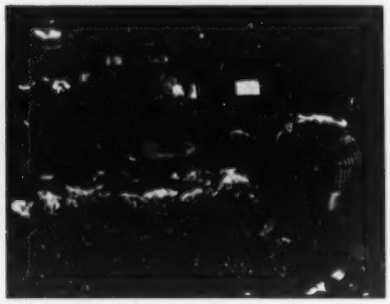

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"From the Editor" photo by C.M. Moter.

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Charting new courses at European shows
You've mapped out strategies for the national and regional trade shows in the United States. Now, chart your course for new ideas and global perspectives by attending these European events. . .28

Did you know?

Grass clippings make up 75 percent of yard waste; leaves contribute 20 percent; and branches and brush add 5 percent. Grass clippings and leaves account for as much as 50 percent of the waste sent to landfills during the growing season.

Source: Briggs & Stratton/American Red Cross

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How consumers use and view pesticides

When giving an unaided response, 59 percent of consumers ranked effectiveness as the most important factor they consider when buying a pesticide; 33 percent said safety was most important. These results are from a recent study for DowElanco, Indianapolis.

The national study was conducted by phone. Of the 1,100 households contacted, 500, or about 45 percent, had used a commercially prepared pesticide. The remainder of the study was based on that group

The study also asked respondents to rate the importance of particular characteristics. Under these circumstances, users rated "safe for family and pets" first and "biodegrades/environmentally safe" second, demonstrating the difference between top-of-mind responses and socially acceptable responses.

Although manufacturers and retailers generally perceive that consumers use pesticides in a more preventive than reactive way, results disprove the notion. Seventy-three percent said they use pesticides in response to a problem, while only 27 percent said they use products to prevent insects from becoming a problem.

With the trend toward environmentally safe products, one might assume that use of organic pesticides would be high. Although 77 percent said they didn't use or didn't know if the product they used was organic, 49 percent said their desire to use organic pesticides was increasing. Forty-five percent indicated no change in their attitudes to use organic products.

DowElanco presented the results at a recent media forum where consumer garden writers and broadcasters gathered to discuss the public's perception of pesticides.

Briefs

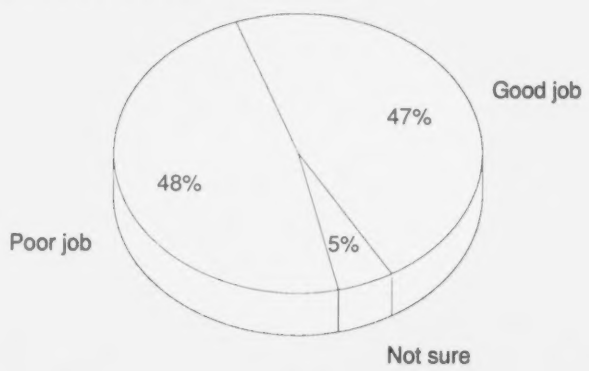
• The Foliage for Clean Air Council is taking its message "Plants are Healthy" on the road. Dr. Bill Wolverton of NASA will speak about the air-cleaning effects of common plants in cities this summer and fall. For more information, contact Martha Lindauer at 405 N. Washington St., Ste. 104, Falls Church, VA 22046; (703) 534-5268.

• The Environmental Protection Agency states there is no clear-cut evidence that malathion causes cancer. The statement is based on what the agency calls a "considerable amount of data." The statement is in response to concerns about use of the chemical to control the Mediterranean fruit fly in Southern California.

• Ian Baldwin, retailing columnist for *Lawn & Garden Marketing*, will speak at a recognition dinner for SERVISTAR's Home & Garden Showplace® Market on June 26, as well as host a seminar on June 25.

Government control of pesticides

When asked "On the whole, would you say the federal government does a good job or a poor job of protecting consumers from pesticides and other chemicals in fruits and vegetables that may be potentially harmful," consumers were split in their opinions.



Source: 1990 *Organic Gardening*/Harris Poll

Growise Centers near 500 mark

Growise Centers, a marketing group of independent lawn and garden retailers, soon will have 500 members.

According to Charles McColough, executive vice president of the Gro-Group, Growise Centers join independent, local professionals in an organization that provides them unified marketing and purchasing, while at the same time allowing them to retain their status as neighborhood garden centers that offer advice, service and information on local conditions.

Koos meets demand

While sales in some product categories were down this winter, sales of at least one product soared. Due to ice storms that swept most of the country in December and January, orders for Safe Step® icemelter ran 100 percent greater than any previous period.

In order to meet the demand, Koos had to step up its production from five 20-hour days per week to seven 20-hour days.

As a result of the boom, the company has boosted production capacity with new equipment and techniques. It added new mixing and bagging lines in order to increase output for the 1990 season and initiated an improved distribution system. A strategically located satellite facility with full-pallet emergency storage capacity has been added for quick response time.